

The current economic downturn has had a severe impact on charitable organizations and other nonprofits. Many charitable organizations have reported a significant decline in contributions over the past several months. Losses in the capital markets have also directly affected a number of nonprofits whose endowments were invested in stocks, real estate, and other capital assets. At the same time, the need for charitable services is rising as job losses pile up and more people fall on hard times.

Private charities, whether faith-based or secular, play a critical role in assisting people who have nowhere else to turn. Furthermore, they exemplify the ideal of voluntary generosity and service to our fellow human beings that has helped make America great. To help charities during this difficult economic time, I am re-introducing bipartisan legislation with Congressman Earl Pomeroy (D-ND) to enhance the ability of individual retirement account (IRA) owners to make charitable contributions from their accounts without paying a tax penalty. Since Congressman Pomeroy and I enacted the original Public Good IRA Rollover Act in 2006, a number of nonprofit organizations have reported that it has been a real boost to their fundraising efforts. Our new legislation would expand this provision and make it permanent.

In the budget blueprint he sent to Congress last week, President Obama proposed the creation of a "reserve fund" for health reform to be funded, in part, by limiting tax deductions such as the one for charitable contributions. This limitation would amount to an estimated \$318 billion tax increase over the next 10 years. While I agree with the President that we must ensure that every American has access to affordable, high-quality health care, I am concerned that a tax increase of this nature could have the unintended consequence of reducing charitable giving at a time when it is needed more than ever. I will be sure to raise this concern as Congress considers the President's budget proposals.